

**TESTIMONY PRESENTED TO
THE PLANNING AND DEVELOPMENT COMMITTEE
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Testimony Supporting House Bill No. 7192

**AN ACT CONCERNING MUNICIPAL AND REGIONAL
OPPORTUNITIES AND EFFICIENCIES**

Co-Chairs Cassano and McCarthy Vahey, Ranking Members Champagne and Zawistowski and distinguished members of the Planning and Development Committee, thank you for the opportunity to offer testimony in support of H.B. 7192, An Act Concerning Municipal and Regional Opportunities and Efficiencies.

Governor Lamont's long-term vision and plan for economic growth includes more efficient and effective ways to deliver services to our residents and businesses. The consolidation and sharing of services has been discussed for decades. While some progress has been made, we still have far too many siloes and duplication of effort. While our municipalities are, on the whole, not inefficient in the way they internally operate, the historic layout of our local governments inherently creates inefficiencies.

The intent is not to eliminate the wonderful tapestry of communities that give Connecticut character and contribute to our quality of life. This bill is not about consolidating and sharing for the sake of consolidating and sharing. It's not about creating a new level of government. It's about figuring out how to better utilize the three existing levels of governance: state, regional and local. It's about finding better ways to work together and utilize technology so we can provide services that are efficient, effective and responsive to the needs of our residents and businesses.

H.B. 7192 is designed to move this conversation forward and determine, based upon data that can be measured and tested, the services that are best suited for sharing and consolidation, and the ways to implement such changes over time. This bill sets forth a path forward through a holistic analysis and recommendations by a multitude of stakeholders. The Advisory Commission on Intergovernmental Relations (ACIR) will focus on municipal services and will be integrated with an analysis on the education side by the Commission on Shared School Services (COSSS). In addition, a couple of areas that might be able to be consolidated in the shorter term, such as certain property

revaluation and assessment and public safety dispatching services, are identified to fuel the conversation.

The Governor and the Office of Policy and Management (OPM) have been and will continue to be actively engaged with stakeholders discussing all provisions of H.B. 7192, which are as summarized as follows:

Section 1. New Criteria for Early Detection of Financially Distressed Municipalities for Referral to the Municipal Finance Advisory Council (MFAC) for Corrective Action. This section provides municipalities with the support they need to avoid fiscal crisis at a point that is early enough to most effectively and efficiently address the underlying fiscal challenges. It enables the Secretary of OPM to make findings after review of municipal and regional school district audits and, if the audits were not done properly or reveal irregularities, require the municipality or district to explain the findings and submit a plan to take corrective action. It also provides the Secretary with the ability to identify a financially distressed municipality earlier and refer them to the MFAC. This referral is based upon the evaluation of certain fiscal indicators in OPM's annual statutorily mandated Municipal Fiscal Indicators report, including multiple years of declining fund balance, operating deficits, repetitive use of tax or bond anticipation notes to maintain cash flow, or low bond rating. The MFAC is charged with helping to develop and implement corrective action plans to promote the long-term fiscal health of the municipality. It allows us to be proactive in working with municipalities teetering on financial distress prior to the financial circumstances warranting MARB oversight and financial intervention at the cost of Connecticut's taxpayers.

Sections 2 - 3. Restructure and Reinvigorate ACIR to Develop Specific Plans to Streamline State Regional and Local Service Delivery. ACIR, established in 1984, is codified in C.G.S. Sec. 2-79a and is staffed by OPM. The bill enhances the membership of ACIR by adding the Co-chairs and Ranking Members of the Planning and Development Committee and a representative of Labor. The bill expands its tasks to include analyzing, planning and implementing all aspects of the sharing and consolidation of government services. There are 13 specific areas of inquiry that encompass subjects such as the alignment of regions, opportunities for intra-municipal and inter-municipal consolidation and the provision of services regionally, standardization of reporting among governing bodies and enhanced data collection. ACIR is required to make specific recommendations to the Secretary every six months on how to better share services among the state, regional and local levels. Yearly reports will contain metrics to determine progress on the recommendations and work plans.

Sections 4 - 6. Create a New Regional Performance Incentive Program (RPIP) and Accompanying Grants to Plan and Implement the Sharing and Consolidation of State, Regional and Local Services. These sections provide funding for the efforts of ACIR as described above. A new base grant formula is established for distributing Regional

Services Grants to the Regional Councils of Governments (COGs) from the Regional Planning Incentive Account. The Secretary is given the discretion to provide funding for the joint provision of any government service or for a planning study on the sharing of services on a regional basis. ACIR is connected to the grant process as it is tasked with making recommendations on funding to achieve cost savings through regional efficiencies to COGs, Regional Educational Service Centers and other regional bodies or combination thereof.

Section 7. Creates COSSS. This section establishes COSSS to develop recommendations for increased collaboration among school districts. With legislative and gubernatorial appointments, COSSS is to begin work 30 days after passage of the bill. It is staffed by the State Department of Education (SDE). The Commission terminates on June 30, 2027.

Sections 7 to 10 of this bill are also contained in S.B. 874 (AAC Education Initiatives and Services in Connecticut) which had a public hearing in the Education Committee on March 1st. The Governor listened to the feedback on that bill and is proposing an amendment to S.B. 874 and the analogous sections in this bill (copy attached). The amendment clarifies and makes it clear that COSSS is not being established nor given the authority to force the regionalization of certain school districts.

Section 8 - 9. Require COSSS to Engage in a Detailed Planning Process and Provides for the Solicitation of Proposals. These sections charge COSSS with developing recommendation and consulting with ACIR. It may establish subcommittees and working groups and conduct hearings. COSSS is also required to develop 15 reports and recommendations involving a myriad of stakeholders on a range of topics between November 1, 2019 and October 1, 2020, with a comprehensive report due no later than December 1, 2020 and a hearing by December 15, 2020. Subsequent recommendations may follow. SDE is required to solicit proposals through a Request for Information for cooperative arrangements and incentives by March 1, 2020, and to share the results with COSSS. These sections are also clarified in the proposed amendment.

Section 10. Requires Municipalities and their Related School Districts to Report on Shared Services. By September 15, 2019, each municipality and their respective school districts must report to OPM, SDE and the Department of Administrative Services (DAS), on the services that are currently shared or consolidated. By January 1, 2020, each municipality and its respective school districts, in consultation with ACIR and COSSS, must report to OPM, SDE and DAS, on the services that may be shared or consolidated. The Secretary will share these reports with ACIR and COSSS.

Section 11. Makes Technical and Conforming Changes.

Section 12. Funding for Shared or Regional Services. This section provides OPM with \$250,000 in funding to promote and facilitate the implementation of shared or regional government services.

Section 13. Coordinates Revaluation Cycles Within Five Revaluation Zones. This section aligns COGs and groups of COGs into five Revaluation Zones and then, in accordance with a schedule set by the Secretary, coordinates the revaluation cycles of the municipalities within each zone over a five-year period. By realigning revaluation years into geographic regions, it creates a much larger parcel set to use in the contracting of revaluation services.

Section 14. Establish “Back Offices” at the COGs to Process Certain Assessment Data. This section provides for the rollout of Regional Assessment Divisions at the COGs starting July 1, 2020 to assist with the collection and processing of data for the 146 municipalities with fewer than 15,000 parcels with the data collected being shared with the state. The benefits of this proposal are based on longer term cost savings that will materialize over the five-year implementation period. It should be thought of as an investment now, with savings later.

By digitizing paperwork currently stored at the local level, creating an online data entry portal, and standardizing some assessment functions, the resulting e-file system will not only eliminate the reliance on paper, but will achieve cost savings and efficiencies in printing, employee data entry time, payroll costs, and accuracy.

Time saved by local assessment staff in all of these areas would allow for additional time for the Discovery, Listing and Valuation of additional property, thus increasing local Grand Lists. Additional savings may also be realized through statewide contracts with assessment and administration software, motor vehicle pricing and regional assessment data hosting (all of which are currently individually priced licenses).

Regional revaluations will provide an economy of scale savings. Due to larger parcel sets, vendors will be able to offer revaluation services at a lower cost. The Northeast Council of Governments reported substantial cost savings when moving to a regional revaluation program and it is believed that aligning the revaluation dates by region will only pass the projected savings on to all municipalities.

Regional sales and market data will be able to be shared among municipalities to promote accurate initial valuation as well as valuation support in appeals and court cases. In addition, assessors would have no need to contract with outside vendors for statewide market data (subscription services are currently purchased on an individual basis by municipalities).

Sections 15 – 20. Consolidate Tax Collection and Assessment Functions. As written, these sections changes tax collectors to appointed positions as of July 1, 2019, except that those elected prior to such date are allowed to complete their terms. They also require municipalities with fewer than 15,000 parcels to merge their tax collector and assessors functions into one department by July 1, 2022.

It should be noted that based on numerous meetings, conversations and communications with stakeholders, we listened to the input and guidance and, as a result, an amendment will be proposed to remove the consolidation of assessor and collector functions from the bill.

Section 21. Allows Municipalities to Override their Charters to Share or Consolidate Services. Under current law (CGS Sec. 7-148cc), two or more municipalities may jointly perform any function that they could perform separately. This section provides that no charter, special act, home rule ordinance or local law can prevent two or more municipalities from combining to jointly perform services.

Sections 22 - 24. Promote Consolidation of Public Service Answering Points (PSAPs). These sections promote the merger of 60 single town PSAPs (emergency dispatching) with populations of less than 40,000, by providing additional transition grant money from the Emergency 9-1-1 Program to defray the upfront costs of consolidation. Any municipality with a population of less than 40,000 which has not combined its PSAP with two or more municipalities by June 30, 2024, will no longer receive annual subsidies from the Program.

Section 25. Decreases the Number of Mandated Inspections by Fire Marshals. The requirement that Fire Marshals inspect residential buildings with three to sixteen families annually is changed as follows:

- Three to six family buildings – once every three years; and
- Seven to sixteen family buildings – once every two calendar years.

Section 26. Requires Boards of Education to Act upon Collective Bargaining Agreements. The bargaining representative for a board of education must submit any collective bargaining agreement to the board within 14 days of the date the agreement was reached, and the board must act upon such agreement within 30 days of submission.

This package is a step forward in retooling our governance to make it more streamlined, efficient and cost-effective, and to have the capacity to provide higher quality services to our citizens and businesses. I respectfully request that you support H.B. 7192.

Again, I would like to again thank the Committee for the opportunity to present this testimony.